

other family members are so excited this day. This was one of the shortest confirmation processes in recent memory. I know that she is pleased that it was completed before the August recess. It will allow her to move and get herself organized for the beginning of the term in October. So, again, my congratulations are to her.

I appreciate the Members of the Senate, Chairman LEAHY, for allowing a full and robust debate on this issue. I will assure my colleagues, the issue of judicial activism is not going away. The American people feel strongly that judges must operate as their judicial oath says, in accordance with the Constitution and laws of the United States—not above them. They expect them to work diligently to determine the right answer to each case before them and to find and declare that right answer, even if the law they base it on is one they personally would like to see altered.

That is the ideal of American justice, and we will be continuing to battle for that as the months and years go forward. I think it is an important issue this country will be wrestling with.

I thank the Acting President pro tempore and yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE DEFICIT

Mr. SESSIONS. Mr. President, before we leave for our August recess, I think it is good to maintain our watch on what is happening in the financial markets. I have reported on these matters several times this year because I think it is something we have to talk about. The reason we have to talk about it is because the United States is borrowing more money this year than any year in the history of the American Republic. It dwarfs anything we have ever done before, and it is an action that has consequences. We cannot borrow dramatically without having consequences occur, just as they do in our families. If your family goes more into debt, you are burdened with high interest rate payments that produce nothing but are monies you expend because you borrowed money. That is what interest is. It does not do you any good. It is a painful thing for no immediate benefit. The benefit comes when you borrowed it and bought something with it, but in the long run you carry that interest unless you pay the debt off in the future.

The problem this country has is that according to the President's own budget, in the next 10 years we have no

plans whatsoever to pay down any debt. In fact, the debt is surging in the outyears. Growing the deficit for each annual accounting will increase in the outyears. So we are in an unsustainable rate of spending in America. We have heard those phrases, and "unsustainable" means just that: We can't keep it up in this fashion.

I will put this chart up that is not disputed by anybody who has been involved in the process. It represents what the Congressional Budget Office—a nonpartisan group, but in truth it is hired by the Democratic majority here in the Congress, in the Senate—has scored the President's budget and what it will mean for us in terms of debt over the next 10 years. It is a 10-year budget, and we are supposed to look out into those years.

In 2008, the total debt in America was \$5.8 trillion. From the beginning of the American Republic until 2008, we had accumulated \$5.8 trillion in debt. That is a lot of money; more than we needed to have been carrying as a debt. President Bush was criticized for having several deficits, one over \$400 billion, and another one either at or around \$400 billion. Other years were less: \$100 billion, \$160 billion, something like that. But he was criticized for that because it helped cause the debt to go up. But look what the Congressional Budget Office says we are going to be facing 5 years from now in 2013: a doubling of that debt to \$11.8 trillion. Ten years from now it will triple to \$17 trillion. The debt will increase in the out years. President Bush was rightly criticized for having added a \$450 billion deficit in 1 year. We will not see in the next 10 years, according to the Congressional Budget Office, a single deficit year that low. The lowest they project is that it would be \$600 billion plus. In the tenth year, out here in 2019, it is projected the deficit will be \$1.1 trillion. This year, the deficit is projected to be \$1.8 trillion. We will soon know. Some say it will be \$2 trillion; \$1 trillion, of course, is one thousand billion dollars—a lot of money. It has consequences. Where do you get this money?

Where do we get the extra \$2 trillion we are spending today that we don't have? Where do we get it? Well, we go into the marketplace and we ask people to buy Treasury bills and loan us the money. It is basically a note. They give us their money and we give them a promise to pay, plus interest. If you don't have any plan to pay down those debts, and we don't—indeed, we continue to project a surge in borrowing even in the tenth year, with no recession being projected in this next 10 years, so it is a grim prospect to pay this kind of interest.

This chart deals with the interest payment. People think: Well, somehow we can borrow and it doesn't hurt us. That is not so. If you borrow, you have to pay interest on it. This country pays interest today on the debt of \$5.8 trillion. We are sort of fortunate because

in this economic slowdown interest rates are low, but they are not going to stay low, and that is the problem. Not only that, the size of the debt is increasing.

So in 2009, it is projected that the interest on our debt will be \$170 billion. Well, the entire Federal education budget—what, \$100 billion—the entire Federal highway budget prior to this stimulus package, at least, was \$40 billion. So \$170 billion goes out in interest to people all over the world and in the United States who have bought Treasury bills, including foreign countries such as the Arab countries who have so much of the American dollars because we buy their oil, and China, we buy their products and they have American dollars, and they have been buying our Treasury bills.

But look what happens over the 10-year window. This is according to the Congressional Budget Office—a fair, objective analysis of what we are looking at. Let's take the red numbers. This is what we would be paying out annually in interest. It goes up—by 2019, the interest we would pay at the originally projected rate of interest CBO used—to \$800 billion in 1 year in interest we pay on the debt.

People are getting worried the interest rates are going to go up because we are borrowing so much money and people are going to be afraid that the dollar will be devalued, and our currency will be inflated. Therefore, they won't get as much return because they will be cheated because the dollars they get back from the United States in terms of interest aren't the same valuable dollars they were originally. The fundamental thing that is working up here in people's minds is that the interest rates could go up. If we use the Blue Chip economics forecast, the total payment in interest could be \$865 billion. If it goes up higher to the rates we saw in the 1980s, it could be \$1.3 trillion. That is just interest, in 1 year, that we would have to pay. Our total budget today is about \$3 trillion. That would be more than a third of the budget.

I don't think the Members of this Congress understand the seriousness of this problem, because look at the bills that go through here. I am a big supporter of farm programs. I supported farm bills year after year, but I couldn't vote for the one this year. It had a 11-percent increase in discretionary spending under the agriculture bill—11 percent. You know, at 7 percent return, your money doubles in 10 years; at 11 percent, the agriculture budget will double in several years.

At a time when we are running up unprecedented debts, we have an 11-percent increase there. It is difficult for me to comprehend. I don't think we are serious about it. Now the House has put in three airplanes so Members of the Congress can take trips with them, presumably. Somebody somewhere needs to be asking: Where are we going to get this money? Every dime of it will be borrowed. The \$800 billion we

passed earlier this year that was supposed to stimulate the economy, keep the unemployment rate from going up, and cause economic growth to occur, was borrowed. We didn't have that money. The first automobile clunker bill, \$1 billion, was borrowed on top of that. It wasn't even paid for out of the stimulus bill. It was new billion dollars. Then the new clunker bill that passed here last night in the House, they said: Well, it was going to come out of the stimulus package and, therefore, it wouldn't add to the debt because we have already authorized this stimulus money to be spent, but that is not what the House leadership said. They promised they wouldn't reduce any of the spending that was provided for in the \$800 billion stimulus package. Only 11 percent of the discretionary funds will be spent by October 1. They wouldn't take the money out of that to fund the clunker program. They promised without any equivocation that they would replenish that to borrow money. They are going to borrow that money so they don't have to reduce any of this spending in the stimulus package.

The Treasury issued a record amount of debt this past year—an unbelievable amount, actually. The Treasury Department said Wednesday it is going to sell a record \$75 billion in Treasury bills just next week so we can pay all of these obligations, we have appropriated the money for. We don't have the money, so we have to borrow it. In particular, the Treasury officials need to ensure that demand from China—that is, China's purchasing of our Treasury bills—doesn't fall off. We want them to keep buying. There are several problems, however. China doesn't have as much money as they did because their sales are not going as they were, and they are using some of their surplus money to stimulate their own economy. So they are not going to have as much money to buy Treasury bills as they did, frankly. But at any rate, demand from China, the largest holder of U.S. Government debt, is shaky. We put out the Treasury bills by auction at an interest rate and people bid for them, basically, and the government has to raise the rate high enough to get people to give them the money so we can spend in Congress.

According to yesterday's Wall Street Journal, last week's auctions of fixed-rate Treasury notes saw lukewarm demand from China and other investors. They are getting worried. Chinese officials had indicated they want inflation-protected securities, especially as the U.S. economy starts to recover. Inflation-protected securities. That is the TIPS. Right now they are not paying much interest. It is pretty low interest. But if you have a TIP, inflation-protected securities, and the interest rate goes up, then you get paid more. The return on your Treasury bill goes up. It is not fixed.

"Inflation is the No. 1 worry," said Mark Chandler, global head of currency

strategy for Brown Brothers Harriman & Company: "This is the government saying, 'We will take that inflation risk away from you.'"

That is what a TIP does. It says, Don't worry about inflation; if the inflation goes up, we will pay you greater interest on the Treasury bill you buy.

And the spread—the difference between the 10-year TIPS—inflation-protected securities—and the regular 10-year Treasury note has risen from near zero at the beginning of this year to about 2 percent today. That means that one can get a 2-percent better rate by buying regular Treasuries, 10-year Treasury notes, but people still want TIPS. People with money want TIPS. Why? Because they are afraid in the next 10 years we are going to have a surge of inflation and a 3.7-percent 10-year Treasury bill. Well, they would rather have a 1.7-percent TIPS than get 2 more percent on the U.S. Treasury bill.

According to yesterday's Wall Street Journal, officials from the United States and China discussed TIPS issuance in high-level talks last week. U.S. officials assured their Chinese counterparts that they remain committed to TIPS sales, according to a person with knowledge of the discussions. China has accumulated more than \$2 trillion in foreign exchange reserves and has invested about \$800 billion in the U.S. Treasury. Meanwhile, interest rates on regular 10-year Treasuries have increased from 2.4 percent to 3.75 percent this year, an increase of over 50-percent.

So the interest rates on the 10-year Treasury has increased over 50 percent since January. Why? Because people are not willing to give the government money at the lower 2.4 percent rate because even though we are in a recession and interest rates are very low, they know with this kind of debt, this kind of future debt that the United States is facing, we are going to have a tremendous temptation to inflate the currency. And we are going to have that pressure because one way to beat your debt, of course, is to pay it back in dollars not worth as much as the dollar the person loaned. If they loan you a dollar today, and the dollar drops 20 percent, you can pay them back with dollars worth 80 cents rather than a dollar. That is a pretty good deal, if you can get away with it.

People are smart and they see this coming. They are demanding higher interest rates now, or they won't loan us the money—like any smart businessperson would. I say to my colleagues you don't get something for nothing. There is no free lunch. You cannot run up this kind of debt without consequences for the young people of this country in the years to come. They are going to be carrying a \$800 billion-a-year annual interest rate in 10 years. Most likely, this number will be higher than \$800 billion a year, whereas our generation today is carrying a \$170 billion a year annual interest payment. I

do not believe we have to do that to help this economy come out of recession. In fact, when you talk to people who are involved in the American financial sector, the biggest worry they have is interest and the debt. For everything else, they can see a way the U.S. economy will come out of it. If we burden ourselves with more debt than we can sustain—and we are clearly heading in that direction—long-term investors are worried. They don't see this coming out right. That is why they say it is not sustainable.

I wished to share these remarks before we recess for August. I don't think it should be forgotten. We have a responsibility to see that every dollar we spend produces something of value. While it can also have a stimulative effect, it needs to produce something of value; it cannot just be thrown away. We need to look for every possible way to contain this growth in spending. It is unacceptable and it cannot continue. Somehow, some way, Congress has to get the message; and I don't think we have gotten it. I don't think we understand that millions of people are losing their jobs. People who used to have overtime are not getting it today. Many who were working full time are working part time today. Families who used to have two wage earners now only have one.

This is serious. We are going to have to recognize we cannot spend our way out of it. We cannot borrow our way to prosperity, as one Alabamian told me at a townhall meeting.

Mr. President, I yield the floor.

CONFIRMATION OF JUSTICE SONIA SOTOMAYOR

Mr. LEAHY. Mr. President, among the most gratifying aspects of the confirmation of Justice Sonia Sotomayor for me was meeting her mother Celina. Anyone who knows their story knows how much Justice Sotomayor owes to her mother. She paid tribute to her mother during her opening statement at the confirmation hearing last month when she poignantly said: "I want to make one special note of thanks to my Mom. I am here today because of her aspirations and sacrifices for both my brother Juan and me. Mom, I love that we are sharing this together."

One of the good things about the hearing was that Americans were able to meet Celina Sotomayor, a woman admired across America. I will never forget her own participation at that hearing. She sat just behind her daughter, nodding in agreement when her daughter spoke. She followed the questions and answers, the give-and-take. She was focused, protective and justifiably proud of her daughter.

Justice Sotomayor's story is her story too. Justice Sotomayor's triumph is her triumph too. This confirmation is the realization of the American dream that she lived and for which she worked, sacrificed and overcame adversity. She is an inspiration to us all.